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Announcement on Variance between 2Q Earnings Forecast and Results and Adjustment to Full-year Earnings Forecast for Fiscal Year Ending March 31, 2016

Furukawa Electric Co., Ltd. would like to inform you of a variance between the consolidated earnings forecast for the first six months of the fiscal year ending in March 31, 2016, which was released on July 31, 2015, and the actual results being released today. We would also like to inform you of the following adjustment to the earnings forecast for the full fiscal year ending in March 31, 2016.

1. variance between consolidated earnings forecast and results for the first six months of fiscal year ending March 31, 2016 (April 1-September 30, 2015)

	Net sales	Operating income	Recurring profit	Net income attributable to parent company shareholders	Net income per share
	million yen	million yen	million yen	million yen	yen
Previous forecast (A) (announced on July 31, 2015)	440,000	6,500	5,500	1,000	1.42
Actual results (B)	428,150	9,139	7,948	1,964	2.78
Variance (B-A)	(11,850)	2,639	2,448	964	-
Variance rate (%)	(2.7)	40.6	44.5	96.4	-
Reference: Actual results for the previous fiscal year (first six months of fiscal year ending March 31, 2015)	414,867	6,237	7,156	1,156	1.64

2. Adjustment to consolidated full-year earnings forecast for fiscal year ending March 31, 2016 (April 1, 2015-March 31, 2016)

	Net sales	Operating income	Recurring profit	Net income attributable to parent company shareholders	Net income per share
	million yen	million yen	million yen	million yen	yen
Previous forecast (A) (announced on May 11, 2015)	910,000	23,000	23,000	10,000	14.16
Adjusted forecast (B)	890,000	23,000	23,000	10,000	14.16
Variance (B-A)	(20,000)	0	0	0	-
Variance rate (%)	(2.2)	0.0	0.0	0.0	-
Reference: Actual results for the previous fiscal year (full fiscal year ending March 31, 2015)	867,817	17,873	18,598	7,355	10.42

3. Reasons for variance and adjustment

In the first six months concerned, net sales dropped below the previous forecast figures due to a fall in prices in the copper ingot market. However, operating income, recurring profit, and net income attributable to parent company shareholders all substantially exceeded forecasts due to the strong performance of the fiber optic cable business and functional resin product business in North America.

As for the full-year earnings forecast, we have adjusted our net sales figures based on the current state of copper ingot market prices and other factors. Regarding profit, we have left our originally announced forecast unchanged because any estimates from the second half of the year would be unclear.

Note

The above forecasts are based on available information as of the date of release of these materials, and on assumptions as of that date about uncertain factors that may impact future results.

Actual results may differ significantly from the forecasts due to various future factors.